

Plant closings, layoffs hit Michigan workplaces

## 741 Delta workers face job cuts at Detroit airport

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20 February 2014

Delta Airlines announced this week that it is contracting out the jobs of maintenance and service workers at Detroit Metropolitan Airport. The move affects the jobs of some 741 workers. Layoffs are set to take effect April 15.

The cuts will include 141 cabin service agents, 380 ramp agents, 77 cabin provision agents and 50 ramp supervisors. The affected jobs involve the servicing of regional flights where the planes seat between 50 and 76 passengers.

The Delta layoff announcement comes at the same time as several other Michigan employers are carrying out job cuts, including auto parts maker TRW Automotive, which shuttered its Saginaw braking facility, and Eastern Michigan University in Ypsilanti, which is laying off most of its full-time lecturers in the College of Education.

Delta said the job cuts were due to the hiring of new contractors for the support positions. Currently the work is provided by DAL Global Services, a subsidiary of Delta. The new contractors will be Prospect, which will handle cabin cleaning, and Menzies Aviation, which will be in charge of baggage handling marshalling on the tarmac.

According to the website glassdoor.com both of the new companies pay poverty level wages. Menzies pays ramp workers an average of \$10.39 per hour and Prospect pays cabin workers between \$8 and \$9 per hour.

Delta said it would work with employees to place them in available positions in other cities. Those workers who are not willing to transfer will be furloughed, the company said.

The third largest airline in the US earned \$2.7 billion

in profits last year, but paid no federal income taxes because of accounting rules that allow businesses to carry forward previous years' losses. Richard Anderson, Delta CEO, took home \$12,575,572 in compensation in 2012.

A former Northwest Airline mechanic from Minneapolis spoke to the WSWS about the significance of the job cuts. Before its merger with Delta in 2008, Northwest carried out a strikebreaking operation against mechanics, hiring permanent replacements for the 4,400 mechanics and cleaners. The workers were members of the Airline Mechanics Fraternal Association, which they had voted in to replace the discredited International Association of Machinists.

"Anderson was the head of Northwest when I was there. He was part of the attack on the mechanics.

"The issue of farm outs has been out there for a long time. In the newspapers there have been reports about Delta's profit sharing, saying how well they treat their employees. But the contracting out is to cut costs and to put pressure on the existing ranks to submit to another round of concessions. There is always the threat hanging over you that your job can be contracted out."

The closure of the TRW braking plant in Saginaw, one hundred miles north of Detroit, deals another blow to an area that has been ravaged in recent decades by deindustrialization. About 600 workers are affected by the closure. The last day for most of the workers was February 14.

In 2013 the Buena Vista School District outside of Saginaw was dissolved by the state of Michigan due to a budget crisis. The closure impacted approximately 2,400 students. Buena Vista High School was virtually across the street from the TRW plant.

The facility was formerly a Delphi Chassis plant. It supplied parts for General Motors' vehicles including the Chevrolet Camaro and Buick Lacrosse. GM spun off its Delphi parts division in 1999, wiping out the jobs, wages and benefits of thousands of workers.

In October TRW terminated a \$700 million brake component contract with General Motors. Pricing appears to have been a point of dispute. GM, which made \$3.8 billion in profits in 2013, has been squeezing its 2,700 suppliers as part of its drive to slash costs and drive up profits. In a recent letter sent to automotive suppliers GM said it wanted to reduce purchase costs from suppliers by 10 percent over the next three years.

While further devastating the Saginaw area, the closure of its brake plant has not impacted the company's profits. In fact last week TRW shares reached their highest level since the company's initial public offering in 2004. The company posted record sales of \$17.4 billion in 2013 and net earnings of \$970 million.

Rather than invest its earnings in new plants and equipment the TRW board of directors is focused on further enriching investors by authorizing the spending of \$2 billion for the repurchase of stock. Stock buybacks are a means of artificially inflating stock prices. They create a bonanza for shareholders at the expense of productive investment. TRW CEO John Plant earned \$26 million in total compensation in 2012, a significant portion of it in stock awards.

Predictably, the United Auto Workers did nothing to oppose the shutdown of the plant. The UAW website did not even carry a report of the closure or any statement by the union. UAW Local 467, the bargaining agent for workers at the Saginaw TRW plant, marked the shutdown by scheduling a party for laid-off workers.

Meanwhile, at Eastern Michigan University east of Detroit 10 of 11 full-time lecturers at the College of Education have been served with layoff notices effective August 31, 2014. The College of Education has 32 part-time lecturers whose contracts are renewed on a semester-by-semester basis.

The lecturers are assigned to the placing, teaching and supervising of student teachers. The school cited budget issues and low enrollment to justify the cuts. Undergraduate enrollment at the College of Education has been declining, a reflection of the slashing of

hundreds of thousands of public school teacher jobs across the United States.

EMU has generated controversy by its affiliation with Michigan's Education Achievement Authority, a state-run district, which supposedly assists "failing" schools. In reality the EAA districts, where lower-paid and under-trained teachers have little or no rights and corporations have unlimited influence, is being used a wedge to facilitate the spread of charter schools and for-profit education.



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